**Abstract**

**Education means the process by which character is formed, strength of mind is increased, and intellect is sharpened, as a result of which one can stand on one’s own feet.** This paper, at first deals with the basic principles, advantages and **drawbacks** of the ancient system of education – the gurukula system, which is **learning by serving.** It is followed by the analysis of the present day education system which has given rise to a group of Indian intelligentsia that is influenced in a big way by social, political, economic norms of western world and their way of living. Educators have the opportunity to make a huge impact on students, but with that opportunity comes many challenges. With an increasingly diverse student population, instructors face the challenge of dealing with students who have different values and ethics from their own.  Today, more than ever before, students need to be engaged and motivated in the classroom. With the growing use of the Internet, information literacy includes the ability to recognize valid and accurate information. For building an ideal structure for education, an amalgamation of eastern culture and western methods, liberal thinking and advancement in science and technology of the West would be the best for future generations. It will be good if the forces of both – culture and systems – could be combined and a charter of an ideal education blueprint could be evolved for future generations.